

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	WC Docket No. 10-90
Connect America Fund	)	

**REPLY COMMENTS  
of the  
SMALL COMPANY COMMITTEE OF THE LOUISIANA TELECOMMUNICATIONS  
ASSOCIATION  
Louisiana Rural Telephone Companies  
Sponsoring These Comments:**

Cameron Telephone Company, LLC  
Campti-Pleasant Hill Telephone Co., Inc.  
CenturyTel of Chatham, LLC  
CenturyTel of Central Louisiana, LLC  
CenturyTel of East Louisiana, LLC  
CenturyTel of Evangeline, LLC  
CenturyTel of North Louisiana, LLC  
CenturyTel of Northwest Louisiana, Inc.  
CenturyTel of Ringgold, LLC  
CenturyTel of Southeast Louisiana, Inc.  
CenturyTel of Southwest Louisiana, LLC  
Delcambre Telephone Company, LLC  
East Ascension Telephone Company, LLC  
Elizabeth Telephone Company, LLC  
Kaplan Telephone Company, Inc.  
Lafourche Telephone Company, LLC  
Northeast Louisiana Telephone Company, Inc.  
Reserve Telephone Company, Inc.  
Star Telephone Company, Inc.

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March 31, 2014

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SMALL COMPANY COMMITTEE OF THE LOUISIANA TELECOMMUNICATIONS  
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**Louisiana Rural Telephone Companies**

The Small Company Committee of the Louisiana Telecommunications Association (the "Louisiana SCC")<sup>1</sup> hereby respectfully files these Reply Comments in response to the Federal Communications Commission ("FCC") Public Notice released March 20, 2014 (the "Public Notice")<sup>2</sup>, which requested comment on the Petition of the Eastern Rural Telecom Association, the Independent Telephone & Telecommunications Alliance, NTCA, the National Exchange

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<sup>1</sup> The Members of the Louisiana SCC sponsoring these comments are: Cameron Telephone Company, LLC, Campti-Pleasant Hill Telephone Co., Inc., CenturyTel of Chatham, LLC, CenturyTel of Central Louisiana, LLC, CenturyTel of East Louisiana, LLC, CenturyTel of Evangeline, LLC, CenturyTel of North Louisiana, LLC, CenturyTel of Northwest Louisiana, Inc., CenturyTel of Ringgold, LLC, CenturyTel of Southeast Louisiana, Inc., and CenturyTel of Southwest Louisiana, LLC, Delcambre Telephone Company, LLC, East Ascension Telephone Company, LLC, Elizabeth Telephone Company, LLC, Kaplan Telephone Company, Inc., Lafourche Telephone Company, LLC, Northeast Louisiana Telephone Company, Inc., Reserve Telephone Company, Inc., and Star Telephone Company, Inc. (collectively, the "Louisiana SCC Members").

<sup>2</sup> FCC Public Notice, DA 14-384, *Wireline Competition Bureau Announces Results of Urban Rate Survey for Voice Services; Seeks Comment on Petition for Extension of Time to Comply with New Rate Floor*, WC Docket No. 10-90, Released March 20, 2014 ("Public Notice").

Carrier Association, the United States Telecom Association, and WTA – Advocates for Rural Broadband (collectively the “Associations”).<sup>3</sup> The Associations’ Petition requests that the deadline for compliance with the 2014 local service rate floor be extended from July 1, 2014 to January 2, 2015, and that subsequent adjustments to the rate floor should then be made annually on January 2<sup>nd</sup>.<sup>4</sup>

## **I. INTRODUCTION AND SUMMARY**

The Public Notice states that the Wireline Competition Bureau (“WCB”) has calculated that the urban average local end-user voice rate (plus state regulated fees) of certain surveyed Incumbent local exchange carriers (“ILECs”) in urban areas for 2014 to be \$20.46.<sup>5</sup> Consequently, ILECs that are Eligible Telecommunications Carriers (“ETCs”) that wish to continue to receive high-cost loop support (“HCLS”) at full funding levels must increase their rates for residential local voice service to \$20.46 effective no later than June 1, 2014.<sup>6</sup>

The Louisiana SCC supports the Petition for Extension of Time jointly filed by the Associations. Moreover, the Louisiana SCC urges the FCC to consider the significant impact the proposed increase in local rates will have on the rural customers of the Louisiana SCC member companies and consider a phase-in of such increase.

The Louisiana SCC is comprised of the Rural Telephone Companies (47 U.S.C. § 153(37)) providing service in rural areas of Louisiana. The Rural Telephone Company members of the Louisiana SCC provide a wide array of high quality communications services to rural consumers in Louisiana and are an engine for economic development in the areas they

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<sup>3</sup> Petition for Extension of Time by ERTA, ITTA, NECA, NTCA USTelecom and WTA, WC Docket No. 10-90 (filed March 11, 2014).

<sup>4</sup> See, Public Notice, pp. 2-3.

<sup>5</sup> Public Notice, p. 2.

<sup>6</sup> Public Notice, p. 2.

serve. The Louisiana SCC members have deployed their networks to ensure that service is available to residents in some of Louisiana's most remote and difficult to serve areas. The Louisiana SCC member companies have invested millions of dollars in their rural Louisiana networks in order to provide high-quality broadband and local voice service to their customers. This investment, in large part, would not have been possible without the HCLS these companies receive from the federal Universal Service Fund.

The Louisiana SCC members have been at the forefront of the broadband and Internet Protocol ("IP") evolution, deploying advanced networks that respond to consumer and business demand for the latest innovative services in rural areas. These rural networks also provide the necessary infrastructure on which wireless, IP, VoIP and satellite communications providers depend. Therefore, FCC decisions must not compromise the Louisiana SCC members' ability to continue to deploy the capital necessary to provide high-quality, dependable and affordable voice and broadband services.

## **II. AN EXTENSION OF TIME TO IMPLEMENT AN INCREASE IN LOCAL RATES IS APPROPRIATE.**

In its Petition, the Associations recited many of the practical and regulatory difficulties and delays that ILECs may experience in trying to implement a local rate increase on short notice. In Louisiana, the SCC member companies are required to file revised tariffs with the Louisiana Public Service Commission ("LPSC"), and provide customers at least thirty (30) days prior notice of rate increases in excess of 5% of the current rate.<sup>7</sup> Additional time will also be required prior to filing revised tariffs in order to develop the tariffs, prepare the customer notice,

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<sup>7</sup> To the extent that a Louisiana SCC member would need a waiver of its LPSC-approved Price Cap Plan, which caps basic service rate increases at 10% annually, additional time would be required to obtain such approval from the LPSC.

and make necessary changes to billing systems which, at a minimum, will add thirty (30) days to the process. Consequently, under the best of circumstances, the Louisiana SCC member companies would require at least sixty (60) days to implement the rate increases required by the new benchmark rate. Given the fact that the FCC will likely not act on the Associations' Petition until after reply comments are filed on March 31, it is apparent that there will be less than sixty (60) days to comply with the 2014 benchmark rate, if no extension is granted. Given the circumstances and regulatory requirements that exist in the states, an extension of time to implement the new urban rate benchmark until at least January 2, 2015, is necessary and appropriate.

### **III. A PHASE-IN OF THE PROPOSED INCREASE IS APPROPRIATE.**

In addition to an extension of time as requested by the Associations, the Louisiana SCC requests the FCC to consider a phase-in of the 2014 rate benchmark. Several Louisiana SCC member companies implemented local rate increases in order to meet the FCC's prior rate benchmarks. On June 1, 2013, certain Louisiana SCC member companies implemented local rate increases to comply with the \$14.00 benchmark rate. The 2014 urban rate benchmark, calculated by the WCB to be \$20.46, is a \$6.46 increase over last year's benchmark rate. Implementation of the \$20.46 rate benchmark June 1, 2014 could result in local voice service rates in a number of rural communities potentially spiking by over \$6 – or more than 40% - unless the FCC takes action to extend or phase in the 2014 rate benchmark. As noted by Commissioner Ajit Pai:

Today the FCC announces a new 'rate floor' of \$20.46 a month. What does that mean? Over a million customers in rural areas will face a rate hike of up to 46 percent in the next few months. This is bad news in tough times. Why should the FCC saddle rural Americans with rate increases when doing so may not save the Universal Service Fund a dime and may in fact divert scarce funds away from

broadband deployment? And why should the FCC override state-set rates to raise costs for consumers? Right now, the economy is good for many people here in Washington, DC. But a recovery hasn't yet reached much of rural America. Let's not add to the challenges our fellow citizens face by increasing their phone bills. Instead, let's freeze the rate floor indefinitely and reexamine this misguided policy.<sup>8</sup>

For those Louisiana SCC member companies that had to increase rates two years ago to reach the initial \$10.00 benchmark rate, their customers will experience over a 100% increase in their local rates in a two year period of time, unless implementation of the \$20.46 benchmark rate is extended or phased in over time. Such rate increases to Louisiana rural customers can be avoided by granting the Associations' Petition.

#### **IV. CONCLUSION**

The Louisiana SCC respectfully requests the FCC to grant the Petition of the Associations to extend the time for compliance with the new urban rate benchmark and to investigate the appropriateness and reasonableness of raising rates for rural customers. The Louisiana SCC members are eager to continue deploying advanced networks and delivering the advanced services that rural Louisiana consumers and businesses need to participate in a broadband economy.

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<sup>8</sup> Statement of Commissioner Ajit Pai Opposing FCC-Initiated Increase in Rural Americans' Phone Bills, FCC News, released March 20, 2014.

Respectfully submitted,

**THE SMALL COMPANY COMMITTEE OF THE  
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